

Federal Energy Regulatory Commission

Pt. 281, App. A

§ 281.304 Computation of alternative fuel volume.

(a) *General rule.* For purposes of § 281.208(b)(1)(i)(B), and § 281.305:

(1) Alternative fuel volume of an essential agricultural user is equal to the sum of the alternative fuel volumes for each agricultural use establishment for which such user has requested from any direct supplier priority 2 entitlements in excess of 300 Mcf.

(2) Alternative fuel volume for an agricultural use establishment is that portion of such establishment's natural gas requirements for which such establishment has requested priority 2 curtailment and for which the establishment had on August 29, 1979, or thereafter, the ability to use alternative fuel.

(b) *New boilers.* For purposes of § 281.208(b)(1)(i)(B) and § 281.305: any new boiler of an essential agricultural use

establishment shall be deemed to have alternative fuel volumes, if the boiler:

(1) Has a capacity in excess of 300 Mcf of natural gas per day;

(2) Is put into service for the first time after August 29, 1979; and

(3) Is not a diesel engine or turbine designed to use distillate fuels as the only substitute for natural gas.

[44 FR 62490, Oct. 31, 1979, as amended by Order 55-B, 45 FR 54740, July 18, 1980]

§ 281.305 General rule.

Any essential agricultural user subject to this subpart that has requested from any direct supplier priority 2 classification for volumes for any essential agricultural use establishment shall reduce its essential agricultural requirements calculated under § 281.208 to reflect the exclusion of volumes of natural gas for which its essential agricultural establishment has alternative fuel volumes under § 281.304.

APPENDIX A¹ TO PART 281—COMPARISON OF SELECTED FUEL PRICE DATA, FPC FORM NO. 423 VERSUS MONTHLY ENERGY REVIEW, 1976—JANUARY 1980

Type of fuel	FPC form No. 423 price data ¹					Monthly energy review price data ²				
	1976	1977	1978	1979	January 1980	1976	1977	1978	1979	January 1980
Cents per MMBtu										
Fuel Oil:										
No. 2	235.1	264.3	271.9	402.1	564.4	226.4	257.3	268.2	403.1	537.2
Low Sulfur No. 6	207.1	229.1	225.1	320.2	453.3	193.6	221.3	216.8	322.4	466.5
High Sulfur No. 6	168.7	199.9	186.7	264.7	361.4	165.9	195.2	186.1	261.5	349.6
All No. 6	195.9	220.4	212.3	299.7	423.5	182.8	210.4	202.7	297.0	417.7
Coal: All Grades	84.8	94.7	111.6	122.4	128.7	(³)	(³)	(³)	(³)	(³)
Natural Gas	103.4	130.0	143.8	175.4	194.8	97.2	131.9	154.1	201.8	237.3
Actual price difference (fuel oil and coal versus natural gas)										
Fuel Oil:										
No. 2	131.7	134.3	128.1	226.7	369.6	129.2	125.4	114.1	201.3	299.9
Low Sulfur No. 6	103.7	99.1	81.3	144.8	258.5	96.4	89.4	62.7	120.6	229.2
High Sulfur No. 6	65.3	69.1	42.9	89.3	166.6	68.7	66.3	32.0	59.7	112.3
All No. 6	92.5	90.4	68.5	124.3	228.7	85.6	78.5	48.6	95.2	180.4
Coal: All Grades	(18.6)	(35.3)	(32.2)	(53.0)	(66.1)	(³)	(³)	(³)	(³)	(³)

¹As reported in DOE/EIA Energy Data Report entitled *Cost and Quality of Fuels for Electric Utility Plants* (Annual summary data 1976-1979) and Monthly Report for January 1980. Note: All prices are delivered prices to steam electric plants. Prices paid for No. 6 fuel oil include prices paid for minor amounts of No. 4 and No. 5 fuel oil, crude and topped crude.

Type of fuel	FPC form No. 423 price data ¹					Monthly energy review price data ²				
	1976	1977	1978	1979	January 1980	1976	1977	1978	1979	January 1980
	Price difference ratio ⁴ (fuel oil and coal versus natural gas)—ratio									
Fuel Oil:										
No. 2	1.274	1.033	.891	1.292	1.897	1.329	.951	.740	.998	1.264
Low Sulfur No. 6	1.003	.762	.565	.826	1.327	.992	.678	.407	.598	.966
High Sulfur No. 6632	.538	.298	.509	.855	.707	.480	.208	.296	.473
All No. 6895	.695	.476	.709	1.174	.881	.595	.315	.472	.760
Coal: All Grades	(.180)	(.272)	(.224)	(.302)	(.339)	(³)	(³)	(³)	(³)	(³)

¹ As reported in DOE/EIA Energy Data Report entitled *Cost and Quality of Fuels for Electric Utility Plants* (Annual summary data 1976-1979) and Monthly Report for January 1980). Note: All prices are delivered prices to steam electric plants. Prices paid for No. 6 fuel oil include prices paid for minor amounts of No. 4 and No. 5 fuel oil, crude and topped crude.

² Fuel oil prices are reported on FEA Form P302-M-1, "Petroleum Industry Monthly Report for Product Prices." Natural Gas Prices are those paid by industrial customers of major interstate pipeline companies as reported on FPC Form No. 11, "Natural Gas Pipeline Company Monthly Statement."

³ The price data for coal is the same as shown under FPC Form No. 423 price data.

⁴ Mathematically the price difference ratio is $P_2 - P_1 / P_1$; Where P_2 = the price of fuel oil or coal and P_1 = the price of natural gas. The ratio indicates the percent difference between natural gas and alternate fuel prices. For example in January 1980 electric utilities reported that in that month they paid 1.897 times more (189.7 percent) for No. 2 fuel oil than they paid for natural gas.

As determined in Docket No. RM79-40 NOPR issued June 3, 1980, corrected for clerical/typographical error.

[Order 55-B, 45 FR 54740, July 18, 1980]

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